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# HOUSE BILL No. 1656

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-8-12; IC 6-8.1-1-1; IC 14-32-8-6.

**Synopsis:** Bottled water excise tax. Establishes a bottled water excise tax of \$0.01 per one-half liter on sales of bottled water. Requires the department of state revenue to deposit the excise taxes collected into the clean water Indiana fund.

**Effective:** January 1, 2006.

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**Lehe, Friend**

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January 19, 2005, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1656

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-8-12 IS ADDED TO THE INDIANA CODE AS  
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2006]:

4 **Chapter 12. Bottled Water Excise Tax**

5 **Sec. 1. As used in this chapter, "bottled water" means potable**  
6 **water contained in a can, a bottle, or other container. The term**  
7 **includes:**

8 (1) drinking water;

9 (2) mineral water;

10 (3) carbonated water; or

11 (4) natural spring water;

12 **that is in a container regardless how the container is labeled.**

13 **Sec. 2. As used in this chapter, "retail merchant" means a**  
14 **person who is described as a retail merchant in IC 6-2.5-4 or who**  
15 **is required to hold a retail merchant's certificate under IC 6-2.5-8.**

16 **Sec. 3. As used in this chapter, "wholesaler" means a person**  
17 **that acquires bottled water from a manufacturer or from another**



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wholesaler for subsequent resale to a retail merchant.

Sec. 4. As used in this chapter, "tax" refers to the bottled water excise tax imposed by section 5 of this chapter.

Sec. 5. An excise tax, known as the bottled water excise tax, at the rate of one cent (\$0.01) per one-half (1/2) liter is imposed on the sale of bottled water in Indiana as provided in section 6 of this chapter.

Sec. 6. (a) Except as provided in subsections (b) and (c), a manufacturer of bottled water is liable for the tax imposed under this chapter.

(b) In the case of a wholesaler receiving bottled water from a person located outside Indiana, the wholesaler is liable for the tax imposed upon the transaction.

(c) In the case of an Indiana retail merchant that receives bottled water from a person located outside Indiana, the retail merchant is liable for the tax upon the transaction.

Sec. 7. (a) When bottled water is delivered to a person liable under section 6 of this chapter for the tax, the person shall make a true triplicate invoice showing the date of delivery, the amount of bottled water delivered, the amount of the tax imposed under this chapter, and the names of the parties to the transaction. Each party to the transaction shall retain a copy of the invoice. The person making the invoice shall retain one (1) copy for the use and inspection of the department of state revenue for two (2) years.

(b) Payment of the tax imposed under this chapter shall be evidenced on the invoice required under subsection (a). There shall be no further tax assessed, imposed, or collected under this chapter upon the sale of bottled water identified by the invoice.

Sec. 8. A person who is liable for the payment of the tax shall file a monthly return with the department of state revenue on or before the twentieth day of the month following the month in which the liability for the tax accrues under section 6 of this chapter. Payment of the tax due must accompany the return.

Sec. 9. (a) The department of state revenue shall separately account for all taxes it collects under this chapter.

(b) The department of state revenue shall deposit all taxes it collects under this chapter in the clean water Indiana fund established by IC 14-32-8-6.

Sec. 10. The department of state revenue may adopt rules under IC 4-22-2 to implement this chapter.

Sec. 11. The bottled water excise tax is a listed tax for purposes of IC 6-8.1.

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SECTION 2. IC 6-8.1-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13); the gross income tax (IC 6-2.1) (repealed); the utility receipts tax (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the municipal option income tax (IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); **the bottled water excise tax (IC 6-8-12)**; the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various county food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the emergency and hazardous chemical inventory form fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23); the solid waste management fee (IC 13-20-22); and any other tax or fee that the department is required to collect or administer.

SECTION 3. IC 14-32-8-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 6. (a) The clean water Indiana fund is established to carry out the purposes of this chapter. The fund shall be administered by the division of soil conservation subject to the direction of the board.

(b) The fund consists of:

(1) amounts appropriated by the general assembly;

**(2) the bottled water excise tax collected under IC 6-8-12; and**

~~(2)~~ **(3)** donations, grants, and money received from any other source.

(c) The expenses of administering the fund shall be paid from money in the fund.

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1 (d) Money in the fund at the end of a state fiscal year does not revert  
2 to the state general fund.

3 SECTION 4. [EFFECTIVE JANUARY 1, 2006] **IC 6-8-12, as**  
4 **added by this act, applies to transactions that occur after**  
5 **December 31, 2005.**

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